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<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Philadelphia Indemnity Insurance Company
<b>TOI/Sub-TOI:</b>	20.0 Commercial Auto/20.0000 Commercial Auto Combinations		
<b>Product Name:</b>	CA-HIRED DED-EP 1 CW (12/19) Revision		
<b>Project Name/Number:</b>	AUTO201902/AUTO201902		

## Filing at a Glance

Company:	Philadelphia Indemnity Insurance Company
Product Name:	CA-HIRED DED-EP 1 CW (12/19) Revision
State:	District of Columbia
TOI:	20.0 Commercial Auto
Sub-TOI:	20.0000 Commercial Auto Combinations
Filing Type:	Rate/Rule
Date Submitted:	01/10/2020
SERFF Tr Num:	PHLX-132217428
SERFF Status:	Submitted to State
State Tr Num:	
State Status:	
Co Tr Num:	AUTO201902
Effective Date	02/10/2020
Requested (New):	
Effective Date	02/10/2020
Requested (Renewal):	
Author(s):	Markita Robinson
Reviewer(s):	
Disposition Date:	
Disposition Status:	
Effective Date (New):	
Effective Date (Renewal):	

**State:** District of Columbia  
**TOI/Sub-TOI:** 20.0 Commercial Auto/20.0000 Commercial Auto Combinations  
**Product Name:** CA-HIRED DED-EP 1 CW (12/19) Revision  
**Project Name/Number:** AUTO201902/AUTO201902

**Filing Company:** Philadelphia Indemnity Insurance Company

## General Information

Project Name: AUTO201902  
Project Number: AUTO201902  
Reference Organization:  
Reference Title:  
Filing Status Changed: 01/10/2020  
State Status Changed:  
Created By: Markita Robinson  
Corresponding Filing Tracking Number:

Status of Filing in Domicile:  
Domicile Status Comments:  
Reference Number:  
Advisory Org. Circular:  
  
Deemer Date:  
Submitted By: Markita Robinson

### Filing Description:

Philadelphia Indemnity Insurance Company is filing a correction to our recent filing for additional deductibles and respective loss costs for our existing Hired Auto Physical Damage coverage. The correction is due to a revision in the loss cost development methodology. The proposed deductibles for Comprehensive coverage are those \$500 and greater and the proposed deductibles for Collision coverage are those \$2,500 and greater. The revised proposed loss costs for each proposed deductible level were developed based on implied relativities of ISO's rule 98 deductible factors. These relativities were applied to ISO's rule 90 loss costs to estimate appropriate loss costs for deductible levels above those which ISO offers in rule 90. Loss costs for existing deductible options in ISO's rule 90 are unchanged. Also, no insureds are currently using the proposed deductible levels as initially filed. As such, there is no rate impact.

Sincerely,  
Markita Robinson

## Company and Contact

### Filing Contact Information

Markita Robinson, State Filing Analyst  
Philadelphia Insurance Companies  
One Bala Plaza, Suite 100  
Bala Cynwyd, PA 19004

Markita.Robinson@phly.com  
610-538-2218 [Phone]

### Filing Company Information

Philadelphia Indemnity Insurance Company	CoCode: 18058	State of Domicile:
One Bala Plaza	Group Code: 3098	Pennsylvania
Suite 100	Group Name: Tokio Marine Hold Inc Grp	Company Type:
Bala Cynwyd, PA 19004	FEIN Number: 23-1738402	State ID Number:
(610) 617-7900 ext. [Phone]		

## Filing Fees

Fee Required? No  
Retaliatory? No  
Fee Explanation:

<b>SERFF Tracking #:</b>	PHLX-132217428	<b>State Tracking #:</b>		<b>Company Tracking #:</b>	AUTO201902
<hr/>					
<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Philadelphia Indemnity Insurance Company		
<b>TOI/Sub-TOI:</b>	20.0 Commercial Auto/20.0000 Commercial Auto Combinations				
<b>Product Name:</b>	CA-HIRED DED-EP 1 CW (12/19) Revision				
<b>Project Name/Number:</b>	AUTO201902/AUTO201902				

## Rate Information

Rate data does NOT apply to filing.

<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Philadelphia Indemnity Insurance Company
<b>TOI/Sub-TOI:</b>	20.0 Commercial Auto/20.0000 Commercial Auto Combinations		
<b>Product Name:</b>	CA-HIRED DED-EP 1 CW (12/19) Revision		
<b>Project Name/Number:</b>	AUTO201902/AUTO201902		

## Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1		CW Rule Page	CA-HIRED DED-EP 1 CW (12/19)	Replacement	PHLX-132122343	Rule Page-CW (clean).pdf

**Philadelphia Indemnity Insurance Company  
Division One – Commercial Automobile  
Hired Car Physical Damage Deductibles  
Company Exception Page**

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The following company exception to Insurance Services Office applies to all commercial risks.

**A. Rating Rules**

**ISO Rule 90 Hired Autos, Table 90.C.3.c. (LC) Hired Autos Physical Damage Loss Costs** is amended to include the following additional Comprehensive and Collision deductibles and loss costs:

Coverage	Deductible	Loss Cost Per Each \$100 Annual Cost Of Hire
Comprehensive	\$ 500	0.240
	\$ 1,000	0.208
	\$ 2,500	0.155
	\$ 5,000	0.115
	\$10,000	0.100
Collision	\$ 2,500	0.340
	\$ 5,000	0.200
	\$10,000	0.145

<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Philadelphia Indemnity Insurance Company
<b>TOI/Sub-TOI:</b>	20.0 Commercial Auto/20.0000 Commercial Auto Combinations		
<b>Product Name:</b>	CA-HIRED DED-EP 1 CW (12/19) Revision		
<b>Project Name/Number:</b>	AUTO201902/AUTO201902		

## Supporting Document Schedules

<b>Bypassed - Item:</b>	Consulting Authorization
<b>Bypass Reason:</b>	Not applicable as this is not a third party filer.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

  

<b>Satisfied - Item:</b>	Actuarial Certification (P&C)
<b>Comments:</b>	
<b>Attachment(s):</b>	DC Rating Rule Filing Package - Correction Filing.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

  

<b>Satisfied - Item:</b>	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
<b>Comments:</b>	
<b>Attachment(s):</b>	DC Rating Rule Filing Package - Correction Filing.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

  

<b>Satisfied - Item:</b>	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
<b>Comments:</b>	
<b>Attachment(s):</b>	DC Rating Rule Filing Package - Correction Filing.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

  

<b>Satisfied - Item:</b>	Edit Copy
<b>Comments:</b>	Please see attached.
<b>Attachment(s):</b>	Rule Page-CW (edit).pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

CERTIFICATION: I hereby certify that the information contained in this Rate Filing and Rate Abstract is true and correct to the best of my knowledge.

Signature Justin Mangiaracina

Title Manager & Pricing Actuary

Company Tokio Marine North America Services, LLC

Address Three Bala Plaza, Suite 400, Bala Cynwyd PA 19004

Telephone 610 617-6093

Philadelphia Indemnity Insurance Company

Commercial Auto

Hired Auto Physical Damage

Filing Memorandum

Countrywide

Philadelphia Indemnity Insurance Company is filing a correction to our recent filing for additional deductibles and respective loss costs for our existing Hired Auto Physical Damage coverage. The correction is due to a revision in the loss cost development methodology. The proposed deductibles for Comprehensive coverage are those 500 and greater and the proposed deductibles for Collision coverage are those 2,500 and greater. The revised proposed loss costs for each proposed deductible level were developed based on implied relativities of ISO's rule 98 deductible factors. These relativities were applied to ISO's rule 90 loss costs to estimate appropriate loss costs for deductible levels above those which ISO offers in rule 90. Loss costs for existing deductible options in ISO's rule 90 are unchanged. Also, no insureds are currently using the proposed deductible levels as initially filed. As such, there is no rate impact.



Philadelphia Indemnity Insurance Company  
Commercial Automobile  
Hired Auto Physical Damage Deductibles  
Countrywide

Rate Plan

Comprehensive

Deductible	Loss Cost
No Deductible	0.340
50	0.320
100	0.310
500	0.240
1,000	0.208
2,500	0.155
5,000	0.115
10,000	0.100

Collision

Deductible	Loss Cost
100	0.510
250	0.490
500	0.460
1,000	0.430
2,500	0.340
5,000	0.200
10,000	0.145

Philadelphia Indemnity Insurance Company  
Commercial Automobile  
Hired Auto Physical Damage Deductibles  
Countrywide

Development - Relevant ISO Tables

Price Range	Comprehensive and Specified Causes Of Loss	Collision
\$ 0 -- 4500	0.50	0.36
4501 -- 6000	0.65	0.40
6001 -- 8000	0.75	0.45
8001 -- 10000	0.85	0.70
10001 -- 15000	0.90	0.88
15001 -- 20000	1.00	1.00
20001 -- 25000	1.07	1.06
25001 -- 40000	1.30	1.35
40001 -- 65000	1.55	1.90
65001 -- 90000	1.70	2.60
Each Additional \$1000 over \$90000*	0.007	0.025
* For autos with an original cost new in excess of \$90000: (i) Subtract 90000 from the original cost new. (ii) Divide the result by 1000. (iii) Multiply by the appropriate "Each Additional \$1000 over \$90000" factor. (iv) Add the result to the appropriate 65001 -- 90000 factor.		

Table 101.A.4.a.(1)(a) Trucks, Tractors And Trailers And Public Autos Original Cost New Factors

Price Range	Comprehensive	Collision
\$ 0 -- 4500	0.50	0.50
4501 -- 6000	0.60	0.60
6001 -- 8000	0.70	0.70
8001 -- 10000	0.80	0.90
10001 -- 15000	0.90	0.95
15001 -- 20000	1.00	1.00
20001 -- 25000	1.12	1.05
25001 -- 40000	1.25	1.10
40001 -- 65000	1.60	1.25
65001 -- 90000	2.20	1.70
Each Additional \$1000 over \$90000*	0.02	0.01
* For autos with an original cost new in excess of \$90000: (i) Subtract 90000 from the original cost new. (ii) Divide the result by 1000. (iii) Multiply by the appropriate "Each Additional \$1000 over \$90000" factor. (iv) Add the result to the appropriate 65001 -- 90000 factor.		

Table 101.A.4.a.(2)(a) Private Passenger Types Original Cost New Factors

Coverage	Deductible	Loss Cost Per Each \$100 Annual Cost Of Hire
Comprehensive	No Deductible	0.34
	50 Deductible	0.32
	100 Deductible	0.31
Collision	100 Deductible	0.51
	250 Deductible	0.49
	500 Deductible	0.46
	1,000 Deductible	0.43
Specified Causes of Loss	No Deductible	0.16

Table 90.C.3.c.(LC) Hired Autos Physical Damage Loss Costs

Philadelphia Indemnity Insurance Company  
Commercial Automobile  
Hired Auto Physical Damage Deductibles  
Countrywide

Development - Relevant ISO Deductible Factors and Calculations - Comprehensive

	(1)	(2) = (1 - (1))	(3) = (2) / (2).Full
Deductible	Factor	Implied Ded Factor*	Implied Relativity
\$ Full	-0.420	1.420	1.000
50	-0.340	1.340	0.944
100	-0.280	1.280	0.901
250	-0.130	1.130	0.796
500	0.000	1.000	0.704
1,000	0.110	0.890	0.627
2,000	0.260	0.740	0.521
3,000	0.310	0.690	0.486
5,000	0.390	0.610	0.430

Table 98.B.1.b.(1)(b) Trucks, Tractors And Trailers And All Autos Except Zone-rated Risks Comprehensive Deductible Factors

\*Assuming base Original Cost New level of 15,001 - 20,000 and calculating [Original Cost New Factor] - [Deductible factor from Rule 98]

	(1)	(2) = (1 - (1))	(3) = (2) / (2).Full
Deductible	Factor	Implied Ded Factor*	Implied Relativity
\$ Full	-0.410	1.410	1.000
50	-0.340	1.340	0.950
100	-0.300	1.300	0.922
250	-0.160	1.160	0.823
500	0.000	1.000	0.709
1,000	0.160	0.840	0.596
2,000	0.370	0.630	0.447
3,000	0.480	0.520	0.369
5,000	0.650	0.350	0.248

Table 98.B.1.b.(1)(a) Private Passenger Types Comprehensive Deductible Factors

\*Assuming base Original Cost New level of 15,001 - 20,000 and calculating [Original Cost New Factor] - [Deductible factor from Rule 98]

Philadelphia Indemnity Insurance Company  
Commercial Automobile  
Hired Auto Physical Damage Deductibles  
Countrywide

Derivation of Selected Loss Costs for Comprehensive

(D)	(1)	(2)*	(3)*	(4) = [(2) + (3)] / 2	(5) = [(1).Full] x (4)	(6) = [(4)n - (4)n-1] / [(D)n - (D)n-1]	(7)**	(8) = (7) / (7).Full	(9) = [(8)n - (8)n-1] / [(D)n - (D)n-1]
Deductible	ISO Rule 90 Loss Cost	ISO Rule 98 Relativity - Trucks	ISO Rule 98 Relativity - PPT	Average Relativity	Indicated Loss Cost	Indicated Marginal Change	Selected Loss Cost	Selected Relativity	Selected Marginal Change
No Deductible	0.340	1.000	1.000	1.000	0.340		0.340	1.000	
50	0.320	0.944	0.950	0.947	0.322	-0.1060%	0.320	0.941	-0.1176%
100	0.310	0.901	0.922	0.912	0.310	-0.0706%	0.310	0.912	-0.0588%
500		0.704	0.709	0.707	0.240	-0.0512%	0.240	0.706	-0.0515%
1,000		0.627	0.596	0.611	0.208	-0.0191%	0.208	0.612	-0.0188%
2,500		0.504	0.408	0.456	0.155	-0.0104%	0.155	0.456	-0.0104%
5,000		0.430	0.248	0.339	0.115	-0.0047%	0.115	0.338	-0.0047%
10,000							0.100	0.294	-0.0009%

\*Used linear interpolation of calculated relativities for 2,000 and 3,000 deductible levels to derive 2,500 deductible level relativity

\*\*Selected ISO rule 90 loss cost for No Deductible, 50, and 100 deductible levels. For deductible levels 500 and higher, selected indicated loss cost and judgmentally adjusted for reversals in marginal change. Judgmentally selected 10,000 deductible level loss cost.

Philadelphia Indemnity Insurance Company  
Commercial Automobile  
Hired Auto Physical Damage Deductibles  
Countrywide

Development - Relevant ISO Deductible Factors and Calculations - Collision

		(1)	(2) = (1 - (1))	(3) = (2) / (2).100
Deductible	Factor	Implied Ded Factor*	Implied Relativity	
\$ 50	-0.120	1.120	1.009	
100	-0.110	1.110	1.000	
250	-0.065	1.065	0.959	
500	0.000	1.000	0.901	
1,000	0.120	0.880	0.793	
2,000	0.320	0.680	0.613	
3,000	0.450	0.550	0.495	
5,000	0.570	0.430	0.387	

Table 98.B.1.b.(2)(b) Trucks, Tractors And Trailers And All Autos Except Zone-rated Risks Collision Deductible Factors

\*Assuming base Original Cost New level of 15,001 - 20,000 and calculating [Original Cost New Factor] - [Deductible factor from Rule 98]

		(1)	(2) = (1 - (1))	(3) = (2) / (2).100
Deductible	Factor	Implied Ded Factor*	Implied Relativity	
\$ 50	-0.130	1.130	1.018	
100	-0.110	1.110	1.000	
200	-0.080	1.080	0.973	
250	-0.070	1.070	0.964	
500	0.000	1.000	0.901	
1,000	0.110	0.890	0.802	
2,000	0.260	0.740	0.667	
3,000	0.390	0.610	0.550	
5,000	0.560	0.440	0.396	

Table 98.B.1.b.(2)(a) Private Passenger Types Collision Deductible Factors

\*Assuming base Original Cost New level of 15,001 - 20,000 and calculating [Original Cost New Factor] - [Deductible factor from Rule 98]

Philadelphia Indemnity Insurance Company  
Commercial Automobile  
Hired Auto Physical Damage Deductibles  
Countrywide

Derivation of Selected Loss Costs for Collision

(D)	(1)	(2)*	(3)*	(4) = [(2) + (3)] / 2	(5) = [(1).100] x (4)	(6) = [(4)n - (4)n-1] / [(D)n - (D)n-1]	(7)**	(8) = (7) / (7).100	(9) = [(8)n - (8)n-1] / [(D)n - (D)n-1]
Deductible	ISO Rule 90 Loss Cost	ISO Rule 98 Relativity - Trucks*	ISO Rule 98 Relativity - PPT*	Average Relativity	Indicated Loss Cost	Indicated Marginal Change	Selected Loss Cost	Selected Relativity	Selected Marginal Change
100	0.510	1.000	1.000	1.000	0.510		0.510	1.000	
250	0.490	0.959	0.964	0.962	0.490	-0.0130%	0.490	0.961	-0.0261%
500	0.460	0.901	0.901	0.901	0.459	-0.0124%	0.460	0.902	-0.0235%
1,000	0.430	0.793	0.802	0.797	0.407	-0.0106%	0.430	0.843	-0.0118%
2,500		0.554	0.608	0.581	0.296	-0.0074%	0.340	0.667	-0.0118%
5,000		0.387	0.396	0.392	0.200	-0.0039%	0.200	0.392	-0.0110%
10,000							0.145	0.284	-0.0022%

\*Used linear interpolation of calculated relativities for 2,000 and 3,000 deductible levels to derive 2,500 deductible level relativity

\*\*Selected ISO rule 90 loss cost for 100, 250, 500 and 1,000 deductible levels. For deductible levels 2,500 and higher, selected indicated loss cost and judgmentally adjusted for reversals in marginal change. Judgmentally selected 10,000 deductible level loss cost.

**Philadelphia Indemnity Insurance Company**  
**Commercial Auto Physical Damage**  
**Premium and Policy Counts**

DC Only

<b>Fiscal AY</b>	<b>Policy Count</b>	<b>Written Premium</b>
2015	128	318,647
2016	127	362,922
2017	133	341,983
2018	136	328,442
2019	145	313,156
<b>Total</b>	<b>668</b>	<b>1,665,150</b>

Countrywide

<b>Fiscal AY</b>	<b>Policy Count</b>	<b>Written Premium</b>
2015	28,378	87,316,600
2016	28,535	93,163,757
2017	29,132	99,856,226
2018	29,713	107,122,636
2019	31,400	114,414,691
<b>Total</b>	<b>147,159</b>	<b>501,873,910</b>

PHILADELPHIA INDEMNITY INSURANCE COMPANY  
COMMERCIAL AUTOMOBILE PHYSICAL DAMAGE  
District of Columbia - All Products  
Rate Level Indications

		Fiscal Accident Year Ending 12/31			
		2016	2017	2018	Total
1	Earned Premium	337,796	343,897	327,414	1,009,108
2	Exposure Trend	1.043	1.033	1.023	
3	On-level Factor	1.000	1.000	1.000	
4	<b>On-level and Trended Earned Premium = (1) x (2) x (3)</b>	<b>352,404</b>	<b>355,217</b>	<b>334,843</b>	<b>1,042,465</b>
5	Reported Incurred Loss & ALAE	173,298	171,745	277,307	622,350
6	Salvage & Subrogation	(64,542)	(55,095)	(28,755)	(148,393)
7	Incurred Loss & ALAE Excluding Sal & Sub = (5) - (6)	237,840	226,840	306,062	770,742
8	Loss Development Factor	1.002	1.006	1.030	
9	Ultimate Incurred Loss & ALAE Excluding Sal & Sub = (7) x (8)	238,360	228,264	315,254	781,879
10	Expected Salvage and Subrogation = (9) x Sal & Sub Factor	(53,945)	(51,661)	(71,348)	(176,954)
11	Expected Incurred Loss & ALAE = (9) + (10)	184,415	176,604	243,906	604,925
12	Unallocated Loss Adjustment Expense	1.099	1.099	1.099	
13	Expected Loss and LAE = (11) x (12)	202,672	194,088	268,053	664,812
14	Current Cost Trend	1.051	1.025	1.000	
15	Projected Trend	1.057	1.057	1.057	
16	<b>Ultimate Trended Loss &amp; LAE = (13) x (14) x (15)</b>	<b>225,123</b>	<b>210,330</b>	<b>283,401</b>	<b>718,854</b>
17	Ultimate Loss & LAE Ratio	63.9%	59.2%	84.6%	69.0%
18	AY Weights	20.0%	30.0%	50.0%	100.0%
19	Weight Loss & LAE Ratio				72.9%
20	Expected Loss & LAE Ratio				67.5%
21	Rate Level Indication before Credibility = (19) / (20) - 1				7.9%
22	Claim Count (excluding Closed w/o Pay)	78	89	96	263
23	Claim Development Factors	1.000	1.000	1.000	
24	Ultimate Claims = (23) x (22)	78	89	96	263
25	Credibility = ((24) / Standard) ^ .5 where Standard = 4,200				25.0%
26	Complement of Credibility				1.5%
27	<b>Credibility Weighted Indication = (25) x (21) + [1-(25)] x (26)</b>				<b>3.1%</b>

Lines (8), (23): Please see attached support for development factors

Lines (2), (14), (15), (26): Trend factors are based on an ISO analysis.

Line (20): Please see the investment income calculations for support.

Line (26) =

100.0% x 1.5% Net Trend - All Products

**Other Factors**

Exposure Trend	1.0%
Annual Projected Loss Trend	2.5%
Average Accident Date for latest Year	6/30/2018
Effective Date	10/1/2019
One Year Past Effective Date	9/30/2020
Trend Period for Projection	2.25
Salvage and Subrogation Factor	(0.226)



PHILADELPHIA INDEMNITY INSURANCE COMPANY  
COMMERCIAL AUTOMOBILE PHYSICAL DAMAGE  
**Countrywide - All Products**  
Rate Level Indications

		Fiscal Accident Year Ending 12/31			
		2016	2017	2018	Total
1	Earned Premium	88,072,097	94,197,506	101,405,020	283,674,623
2	Exposure Trend	1.043	1.033	1.023	
3	On-level Factor	1.094	1.070	1.038	
4	<b>On-level and Trended Earned Premium = (1) x (2) x (3)</b>	<b>100,505,662</b>	<b>104,109,873</b>	<b>107,679,630</b>	<b>312,295,164</b>
5	Reported Incurred Loss & ALAE	56,628,904	63,540,398	74,093,408	194,262,709
6	Salvage & Subrogation	(16,335,821)	(17,355,494)	(13,690,782)	(47,382,097)
7	Incurred Loss & ALAE Excluding Sal & Sub = (5) - (6)	72,964,725	80,895,892	87,784,190	241,644,806
8	Loss Development Factor	1.002	1.006	1.030	
9	Ultimate Incurred Loss & ALAE Excluding Sal & Sub = (7) x (8)	73,124,154	81,403,896	90,420,702	244,948,752
10	Expected Salvage and Subrogation = (9) x Sal & Sub Factor	(16,549,409)	(18,423,275)	(20,463,952)	(55,436,636)
11	Expected Incurred Loss & ALAE = (9) + (10)	56,574,745	62,980,622	69,956,750	189,512,116
12	Unallocated Loss Adjustment Expense	1.099	1.099	1.099	
13	Expected Loss and LAE = (11) x (12)	62,175,645	69,215,703	76,882,468	208,273,816
14	Current Cost Trend	1.051	1.025	1.000	
15	Projected Trend	1.057	1.057	1.057	
16	<b>Ultimate Trended Loss &amp; LAE = (13) x (14) x (15)</b>	<b>69,063,430</b>	<b>75,008,177</b>	<b>81,284,442</b>	<b>225,356,049</b>
17	Ultimate Loss & LAE Ratio	68.7%	72.0%	75.5%	72.2%
18	AY Weights	20.0%	30.0%	50.0%	100.0%
19	Weight Loss & LAE Ratio				73.1%
20	Expected Loss & LAE Ratio				67.2%
21	Rate Level Indication before Credibility = (19) / (20) - 1				8.8%
22	Claim Count (excluding Closed w/o Pay)	19,090	20,253	21,147	60,490
23	Claim Development Factors	1.000	1.000	1.000	
24	Ultimate Claims = (23) x (22)	19,090	20,253	21,147	60,490
25	Credibility = ((24) / Standard) ^ .5 where Standard = 4,200				100.0%
26	Complement of Credibility				0.0%
27	<b>Credibility Weighted Indication = (25) x (21) + [1-(25)] x (26)</b>				<b>8.8%</b>

Lines (8), (23): Please see attached support for development factors

Lines (2), (14), (15), (26): Trend factors are based on an ISO analysis.

Line (20): Please see the investment income calculations for support.

Line (26) =

**Other Factors**

Exposure Trend	1.0%
Annual Projected Loss Trend	2.5%
Average Accident Date for latest Year	6/30/2018
Effective Date	10/1/2019
One Year Past Effective Date	9/30/2020
Trend Period for Projection	2.25
Salvage and Subrogation Factor	(0.226)

Philadelphia Indemnity Insurance Company  
Investment Income Calculation  
CPP Commercial Auto Physical Damage - Occurrence - Form ISO  
District of Columbia

a	Target After-Tax Return on Surplus	11.8%
b	Federal Income Tax Load	15.7%
c	Target Pre-Tax Return on Surplus (a / (1 - b))	14.0%
d	Projected Investment Return on Surplus	3.7%
e	Target Return on Insurance Operations (c - d)	10.3%
f	Line of Business Premium / Surplus	2.07
g	Target Return on Premium (e / f)	5.0%
h	Expense Provisions	28.4%
i	Premium Discount Factor	0.994
j	Expense Discount Factor	0.992
k	Loss Discount Factor	0.982
l	Expected Loss Ratio ((i - g - h * j) / (k))	67.5%
m	Profit Provision (1 - h - l)	4.1%

(1)	Base Commission and Brokerage	15.2%
(2)	Contingent Commissions	0.0%
(3)	Other Acquisition	6.3%
(4)	General Expenses	4.9%
(5)	Residual Market Load	0.0%
(6)	Reinsurance Expense	0.0%
(7)	ULAE	0.0%
(8)	Taxes, Licenses, & Fees	2.0%
(9)	Total Expenses	28.4%
(10)	Profit Provision	4.1%
(11)	Expenses and Profit Provision	32.5%
(12)	Permissible Loss Ratio	67.5%
(13)	Total	100.0%

Year	Incremental Payout Pattern			Discount Factor	Discounted Payout	
	Premium	Expenses	Loss & LAE		Premium	Expenses
0.00	38.4%	20.6%	0.0%	1.000	38.4%	20.6%
0.08	7.8%	4.2%	0.0%	0.998	7.8%	4.2%
0.17	7.8%	4.2%	0.0%	0.996	7.7%	4.1%
0.25	7.5%	11.1%	0.0%	0.994	7.5%	11.0%
0.33	6.8%	3.6%	0.0%	0.992	6.7%	3.6%
0.42	6.8%	3.6%	0.0%	0.990	6.7%	3.6%
0.50	6.2%	42.7%	0.0%	0.988	6.1%	42.2%
0.58	6.2%	3.3%	83.7%	0.986	6.1%	3.3%
0.67	6.2%	3.3%	0.0%	0.984	6.1%	3.3%
0.75	6.2%	3.3%	0.0%	0.982	6.1%	3.2%
0.83	0.2%	0.1%	0.0%	0.980	0.2%	0.1%
0.92	0.2%	0.1%	0.0%	0.978	0.2%	0.1%
1.00	0.0%	0.0%	0.0%	0.977	0.0%	0.0%
1.50	0.0%	0.0%	15.3%	0.966	0.0%	0.0%
2.50	0.0%	0.0%	0.7%	0.946	0.0%	0.0%
3.50	0.0%	0.0%	0.3%	0.925	0.0%	0.0%
4.50	0.0%	0.0%	0.0%	0.904	0.0%	0.0%
5.50	0.0%	0.0%	0.0%	0.882	0.0%	0.0%
6.50	0.0%	0.0%	0.0%	0.859	0.0%	0.0%
7.50	0.0%	0.0%	0.0%	0.836	0.0%	0.0%
8.50	0.0%	0.0%	0.0%	0.814	0.0%	0.0%
9.50	0.0%	0.0%	0.0%	0.792	0.0%	0.0%
10.50	0.0%	0.0%	0.0%	0.770	0.0%	0.0%
11.50	0.0%	0.0%	0.0%	0.749	0.0%	0.0%
12.50	0.0%	0.0%	0.0%	0.728	0.0%	0.0%
13.50	0.0%	0.0%	0.0%	0.708	0.0%	0.0%
14.50	0.0%	0.0%	0.0%	0.687	0.0%	0.0%
Total	100.0%	100.0%	100.0%		99.4%	99.2%
						98.2%

Philadelphia Indemnity Insurance Company  
Investment Income Calculation  
CPP Commercial Auto Physical Damage - Occurrence - Form ISO  
Countrywide

a	Target After-Tax Return on Surplus	11.8%
b	Federal Income Tax Load	15.7%
c	Target Pre-Tax Return on Surplus (a / (1 - b))	14.0%
d	Projected Investment Return on Surplus	3.7%
e	Target Return on Insurance Operations (c - d)	10.3%
f	Line of Business Premium / Surplus	2.07
g	Target Return on Premium (e / f)	5.0%
h	Expense Provisions	28.7%
i	Premium Discount Factor	0.994
j	Expense Discount Factor	0.992
k	Loss Discount Factor	0.982
l	Expected Loss Ratio ((i - g - h * j) / (k))	67.2%
m	Profit Provision (1 - h - l)	4.1%

(1)	Base Commission and Brokerage	15.2%
(2)	Contingent Commissions	0.0%
(3)	Other Acquisition	6.3%
(4)	General Expenses	4.9%
(5)	Residual Market Load	0.0%
(6)	Reinsurance Expense	0.0%
(7)	ULAE	0.0%
(8)	Taxes, Licenses, & Fees	2.3%
(9)	Total Expenses	28.7%
(10)	Profit Provision	4.1%
(11)	Expenses and Profit Provision	32.8%
(12)	Permissible Loss Ratio	67.2%
(13)	Total	100.0%

Year	Incremental Payout Pattern			Discount Factor	Discounted Payout	
	Premium	Expenses	Loss & LAE		Premium	Expenses
0.00	38.4%	20.3%	0.0%	1.000	38.4%	20.3%
0.08	7.8%	4.1%	0.0%	0.998	7.8%	4.1%
0.17	7.8%	4.1%	0.0%	0.996	7.7%	4.1%
0.25	7.5%	12.2%	0.0%	0.994	7.5%	12.1%
0.33	6.8%	3.6%	0.0%	0.992	6.7%	3.6%
0.42	6.8%	3.6%	0.0%	0.990	6.7%	3.5%
0.50	6.2%	42.2%	0.0%	0.988	6.1%	41.6%
0.58	6.2%	3.3%	83.7%	0.986	6.1%	3.2%
0.67	6.2%	3.3%	0.0%	0.984	6.1%	3.2%
0.75	6.2%	3.3%	0.0%	0.982	6.1%	3.2%
0.83	0.2%	0.1%	0.0%	0.980	0.2%	0.1%
0.92	0.2%	0.1%	0.0%	0.978	0.2%	0.1%
1.00	0.0%	0.0%	0.0%	0.977	0.0%	0.0%
1.50	0.0%	0.0%	15.3%	0.966	0.0%	0.0%
2.50	0.0%	0.0%	0.7%	0.946	0.0%	0.0%
3.50	0.0%	0.0%	0.3%	0.925	0.0%	0.0%
4.50	0.0%	0.0%	0.0%	0.904	0.0%	0.0%
5.50	0.0%	0.0%	0.0%	0.882	0.0%	0.0%
6.50	0.0%	0.0%	0.0%	0.859	0.0%	0.0%
7.50	0.0%	0.0%	0.0%	0.836	0.0%	0.0%
8.50	0.0%	0.0%	0.0%	0.814	0.0%	0.0%
9.50	0.0%	0.0%	0.0%	0.792	0.0%	0.0%
10.50	0.0%	0.0%	0.0%	0.770	0.0%	0.0%
11.50	0.0%	0.0%	0.0%	0.749	0.0%	0.0%
12.50	0.0%	0.0%	0.0%	0.728	0.0%	0.0%
13.50	0.0%	0.0%	0.0%	0.708	0.0%	0.0%
14.50	0.0%	0.0%	0.0%	0.687	0.0%	0.0%
Total	100.0%	100.0%	100.0%		99.4%	99.2%
						98.2%

**PHILADELPHIA INDEMNITY INSURANCE COMPANY**  
PROJECTED EXPENSES

**21.2 - CPP Commercial Auto Physical Damage**

	I.E.E. 2014	I.E.E. 2015	I.E.E. 2016	I.E.E. 2017	I.E.E. 2018	Total
<b>Commissions (Line Specific)</b>						
Written Premium	84,862	88,179	95,803	101,325	109,470	306,598
Commissions	12,841	13,171	14,374	14,984	16,592	45,950
Commission Rate	15.1%	14.9%	15.0%	14.8%	15.2%	15.0%
Selected						15.2%

<b>Other Acquisitions (Line Specific)</b>						
Written Premium	84,862	88,179	95,803	101,325	109,470	306,598
Other Acquisitions	4,261	5,096	6,179	6,371	6,668	19,218
Other Acquisitions Rate	5.0%	5.8%	6.4%	6.3%	6.1%	6.3%
Selected						6.3%

<b>General Expenses (Line Specific)</b>						
Earned Premium	81,813	85,628	91,680	98,346	105,446	295,472
General Expenses	4,097	4,230	4,818	4,770	5,020	14,608
General Expenses Rate	5.0%	4.9%	5.3%	4.9%	4.8%	4.9%
Selected						4.9%

<b>Taxes, Licenses, and Fees (Line Specific)</b>						
Written Premium	84,862	88,179	95,803	101,325	109,470	306,598
Taxes, Licenses, and Fees	2,074	1,767	2,172	2,307	2,723	7,202
Tax Rate	2.4%	2.0%	2.3%	2.3%	2.5%	2.3%
Selected						2.3%

<b>Total Expenses as a % of Written Premium</b>						
Written Premium	84,862	88,179	95,803	101,325	109,470	306,598
Total Expenses	23,273	24,264	27,543	28,432	31,003	86,978
Expense Rate	27.4%	27.5%	28.7%	28.1%	28.3%	28.4%

<b>ALAE to Loss</b>						
Incurred Loss	49,319	49,636	56,343	61,264	67,661	185,268
Defense and Cost Containment	160	242	172	796	274	1,242
ALAE Ratio	0.3%	0.5%	0.3%	1.3%	0.4%	0.7%
Selected						2.1%

<b>ULAE to Loss</b>						
Incurred Loss	49,319	49,636	56,343	61,264	67,661	185,268
Adjusting and Other Expense	8,879	9,231	10,711	4,668	5,964	21,343
ULAE Ratio	18.0%	18.6%	19.0%	7.6%	8.8%	11.5%
Selected						10.1%

<b>ULAE to Loss &amp; ALAE</b>						
Incurred Loss	49,319	49,636	56,343	61,264	67,661	185,268
Defense and Cost Containment	160	242	172	796	274	1,242
Adjusting and Other Expense	8,879	9,231	10,711	4,668	5,964	21,343
ULAE Ratio	17.9%	18.5%	19.0%	7.5%	8.8%	11.4%
Selected						9.9%

<b>LAE to Loss</b>						
Incurred Loss	49,319	49,636	56,343	61,264	67,661	185,268
Defense and Cost Containment	160	242	172	796	274	1,242
Adjusting and Other Expense	8,879	9,231	10,711	4,668	5,964	21,343
LAE Ratio	18.3%	19.1%	19.3%	8.9%	9.2%	12.2%
Selected						12.2%

CERTIFICATION: I hereby certify that the information contained in this Rate Filing and Rate Abstract is true and correct to the best of my knowledge.

Signature Justin Mangiaracina

Title Manager & Pricing Actuary

Company Tokio Marine North America Services, LLC

Address Three Bala Plaza, Suite 400, Bala Cynwyd PA 19004

Telephone 610 617-6093

Philadelphia Indemnity Insurance Company

Commercial Auto

Hired Auto Physical Damage

Filing Memorandum

Countrywide

Philadelphia Indemnity Insurance Company is filing a correction to our recent filing for additional deductibles and respective loss costs for our existing Hired Auto Physical Damage coverage. The correction is due to a revision in the loss cost development methodology. The proposed deductibles for Comprehensive coverage are those 500 and greater and the proposed deductibles for Collision coverage are those 2,500 and greater. The revised proposed loss costs for each proposed deductible level were developed based on implied relativities of ISO's rule 98 deductible factors. These relativities were applied to ISO's rule 90 loss costs to estimate appropriate loss costs for deductible levels above those which ISO offers in rule 90. Loss costs for existing deductible options in ISO's rule 90 are unchanged. Also, no insureds are currently using the proposed deductible levels as initially filed. As such, there is no rate impact.

Philadelphia Indemnity Insurance Company  
Commercial Automobile  
Hired Auto Physical Damage Deductibles  
Countrywide

Rate Plan

Comprehensive

Deductible	Loss Cost
No Deductible	0.340
50	0.320
100	0.310
500	0.240
1,000	0.208
2,500	0.155
5,000	0.115
10,000	0.100

Collision

Deductible	Loss Cost
100	0.510
250	0.490
500	0.460
1,000	0.430
2,500	0.340
5,000	0.200
10,000	0.145

Philadelphia Indemnity Insurance Company  
Commercial Automobile  
Hired Auto Physical Damage Deductibles  
Countrywide

Development - Relevant ISO Tables

Price Range	Comprehensive and Specified Causes Of Loss	Collision
\$ 0 -- 4500	0.50	0.36
4501 -- 6000	0.65	0.40
6001 -- 8000	0.75	0.45
8001 -- 10000	0.85	0.70
10001 -- 15000	0.90	0.88
15001 -- 20000	1.00	1.00
20001 -- 25000	1.07	1.06
25001 -- 40000	1.30	1.35
40001 -- 65000	1.55	1.90
65001 -- 90000	1.70	2.60
Each Additional \$1000 over \$90000*	0.007	0.025
* For autos with an original cost new in excess of \$90000: (i) Subtract 90000 from the original cost new. (ii) Divide the result by 1000. (iii) Multiply by the appropriate "Each Additional \$1000 over \$90000" factor. (iv) Add the result to the appropriate 65001 -- 90000 factor.		

Table 101.A.4.a.(1)(a) Trucks, Tractors And Trailers And Public Autos Original Cost New Factors

Price Range	Comprehensive	Collision
\$ 0 -- 4500	0.50	0.50
4501 -- 6000	0.60	0.60
6001 -- 8000	0.70	0.70
8001 -- 10000	0.80	0.90
10001 -- 15000	0.90	0.95
15001 -- 20000	1.00	1.00
20001 -- 25000	1.12	1.05
25001 -- 40000	1.25	1.10
40001 -- 65000	1.60	1.25
65001 -- 90000	2.20	1.70
Each Additional \$1000 over \$90000*	0.02	0.01
* For autos with an original cost new in excess of \$90000: (i) Subtract 90000 from the original cost new. (ii) Divide the result by 1000. (iii) Multiply by the appropriate "Each Additional \$1000 over \$90000" factor. (iv) Add the result to the appropriate 65001 -- 90000 factor.		

Table 101.A.4.a.(2)(a) Private Passenger Types Original Cost New Factors

Coverage	Deductible	Loss Cost Per Each \$100 Annual Cost Of Hire
Comprehensive	No Deductible	0.34
	50 Deductible	0.32
	100 Deductible	0.31
Collision	100 Deductible	0.51
	250 Deductible	0.49
	500 Deductible	0.46
	1,000 Deductible	0.43
Specified Causes of Loss	No Deductible	0.16

Table 90.C.3.c.(LC) Hired Autos Physical Damage Loss Costs



Philadelphia Indemnity Insurance Company  
Commercial Automobile  
Hired Auto Physical Damage Deductibles  
Countrywide

Development - Relevant ISO Deductible Factors and Calculations - Comprehensive

	(1)	(2) = (1 - (1))	(3) = (2) / (2).Full
Deductible	Factor	Implied Ded Factor*	Implied Relativity
\$ Full	-0.420	1.420	1.000
50	-0.340	1.340	0.944
100	-0.280	1.280	0.901
250	-0.130	1.130	0.796
500	0.000	1.000	0.704
1,000	0.110	0.890	0.627
2,000	0.260	0.740	0.521
3,000	0.310	0.690	0.486
5,000	0.390	0.610	0.430

Table 98.B.1.b.(1)(b) Trucks, Tractors And Trailers And All Autos Except Zone-rated Risks Comprehensive Deductible Factors

\*Assuming base Original Cost New level of 15,001 - 20,000 and calculating [Original Cost New Factor] - [Deductible factor from Rule 98]

	(1)	(2) = (1 - (1))	(3) = (2) / (2).Full
Deductible	Factor	Implied Ded Factor*	Implied Relativity
\$ Full	-0.410	1.410	1.000
50	-0.340	1.340	0.950
100	-0.300	1.300	0.922
250	-0.160	1.160	0.823
500	0.000	1.000	0.709
1,000	0.160	0.840	0.596
2,000	0.370	0.630	0.447
3,000	0.480	0.520	0.369
5,000	0.650	0.350	0.248

Table 98.B.1.b.(1)(a) Private Passenger Types Comprehensive Deductible Factors

\*Assuming base Original Cost New level of 15,001 - 20,000 and calculating [Original Cost New Factor] - [Deductible factor from Rule 98]

Philadelphia Indemnity Insurance Company  
Commercial Automobile  
Hired Auto Physical Damage Deductibles  
Countrywide

Derivation of Selected Loss Costs for Comprehensive

(D)	(1)	(2)*	(3)*	(4) = [(2) + (3)] / 2	(5) = [(1).Full] x (4)	(6) = [(4)n - (4)n-1] / [(D)n - (D)n-1]	(7)**	(8) = (7) / (7).Full	(9) = [(8)n - (8)n-1] / [(D)n - (D)n-1]
Deductible	ISO Rule 90 Loss Cost	ISO Rule 98 Relativity - Trucks	ISO Rule 98 Relativity - PPT	Average Relativity	Indicated Loss Cost	Indicated Marginal Change	Selected Loss Cost	Selected Relativity	Selected Marginal Change
No Deductible	0.340	1.000	1.000	1.000	0.340		0.340	1.000	
50	0.320	0.944	0.950	0.947	0.322	-0.1060%	0.320	0.941	-0.1176%
100	0.310	0.901	0.922	0.912	0.310	-0.0706%	0.310	0.912	-0.0588%
500		0.704	0.709	0.707	0.240	-0.0512%	0.240	0.706	-0.0515%
1,000		0.627	0.596	0.611	0.208	-0.0191%	0.208	0.612	-0.0188%
2,500		0.504	0.408	0.456	0.155	-0.0104%	0.155	0.456	-0.0104%
5,000		0.430	0.248	0.339	0.115	-0.0047%	0.115	0.338	-0.0047%
10,000							0.100	0.294	-0.0009%

\*Used linear interpolation of calculated relativities for 2,000 and 3,000 deductible levels to derive 2,500 deductible level relativity

\*\*Selected ISO rule 90 loss cost for No Deductible, 50, and 100 deductible levels. For deductible levels 500 and higher, selected indicated loss cost and judgmentally adjusted for reversals in marginal change. Judgmentally selected 10,000 deductible level loss cost.

Philadelphia Indemnity Insurance Company  
Commercial Automobile  
Hired Auto Physical Damage Deductibles  
Countrywide

Development - Relevant ISO Deductible Factors and Calculations - Collision

		(1)	(2) = (1 - (1))	(3) = (2) / (2).100
Deductible	Factor	Implied Ded Factor*	Implied Relativity	
\$ 50	-0.120	1.120	1.009	
100	-0.110	1.110	1.000	
250	-0.065	1.065	0.959	
500	0.000	1.000	0.901	
1,000	0.120	0.880	0.793	
2,000	0.320	0.680	0.613	
3,000	0.450	0.550	0.495	
5,000	0.570	0.430	0.387	

Table 98.B.1.b.(2)(b) Trucks, Tractors And Trailers And All Autos Except Zone-rated Risks Collision Deductible Factors

\*Assuming base Original Cost New level of 15,001 - 20,000 and calculating [Original Cost New Factor] - [Deductible factor from Rule 98]

		(1)	(2) = (1 - (1))	(3) = (2) / (2).100
Deductible	Factor	Implied Ded Factor*	Implied Relativity	
\$ 50	-0.130	1.130	1.018	
100	-0.110	1.110	1.000	
200	-0.080	1.080	0.973	
250	-0.070	1.070	0.964	
500	0.000	1.000	0.901	
1,000	0.110	0.890	0.802	
2,000	0.260	0.740	0.667	
3,000	0.390	0.610	0.550	
5,000	0.560	0.440	0.396	

Table 98.B.1.b.(2)(a) Private Passenger Types Collision Deductible Factors

\*Assuming base Original Cost New level of 15,001 - 20,000 and calculating [Original Cost New Factor] - [Deductible factor from Rule 98]

Philadelphia Indemnity Insurance Company  
Commercial Automobile  
Hired Auto Physical Damage Deductibles  
Countrywide

Derivation of Selected Loss Costs for Collision

(D)	(1)	(2)*	(3)*	(4) = [(2) + (3)] / 2	(5) = [(1).100] x (4)	(6) = [(4)n - (4)n-1] / [(D)n - (D)n-1]	(7)**	(8) = (7) / (7).100	(9) = [(8)n - (8)n-1] / [(D)n - (D)n-1]
Deductible	ISO Rule 90 Loss Cost	ISO Rule 98 Relativity - Trucks*	ISO Rule 98 Relativity - PPT*	Average Relativity	Indicated Loss Cost	Indicated Marginal Change	Selected Loss Cost	Selected Relativity	Selected Marginal Change
100	0.510	1.000	1.000	1.000	0.510		0.510	1.000	
250	0.490	0.959	0.964	0.962	0.490	-0.0130%	0.490	0.961	-0.0261%
500	0.460	0.901	0.901	0.901	0.459	-0.0124%	0.460	0.902	-0.0235%
1,000	0.430	0.793	0.802	0.797	0.407	-0.0106%	0.430	0.843	-0.0118%
2,500		0.554	0.608	0.581	0.296	-0.0074%	0.340	0.667	-0.0118%
5,000		0.387	0.396	0.392	0.200	-0.0039%	0.200	0.392	-0.0110%
10,000							0.145	0.284	-0.0022%

\*Used linear interpolation of calculated relativities for 2,000 and 3,000 deductible levels to derive 2,500 deductible level relativity

\*\*Selected ISO rule 90 loss cost for 100, 250, 500 and 1,000 deductible levels. For deductible levels 2,500 and higher, selected indicated loss cost and judgmentally adjusted for reversals in marginal change. Judgmentally selected 10,000 deductible level loss cost.

**Philadelphia Indemnity Insurance Company  
Commercial Auto Physical Damage  
Premium and Policy Counts**

DC Only

<b>Fiscal AY</b>	<b>Policy Count</b>	<b>Written Premium</b>
2015	128	318,647
2016	127	362,922
2017	133	341,983
2018	136	328,442
2019	145	313,156
<b>Total</b>	<b>668</b>	<b>1,665,150</b>

Countrywide

<b>Fiscal AY</b>	<b>Policy Count</b>	<b>Written Premium</b>
2015	28,378	87,316,600
2016	28,535	93,163,757
2017	29,132	99,856,226
2018	29,713	107,122,636
2019	31,400	114,414,691
<b>Total</b>	<b>147,159</b>	<b>501,873,910</b>

PHILADELPHIA INDEMNITY INSURANCE COMPANY  
COMMERCIAL AUTOMOBILE PHYSICAL DAMAGE  
District of Columbia - All Products  
Rate Level Indications

		Fiscal Accident Year Ending 12/31			
		2016	2017	2018	Total
1	Earned Premium	337,796	343,897	327,414	1,009,108
2	Exposure Trend	1.043	1.033	1.023	
3	On-level Factor	1.000	1.000	1.000	
4	<b>On-level and Trended Earned Premium = (1) x (2) x (3)</b>	<b>352,404</b>	<b>355,217</b>	<b>334,843</b>	<b>1,042,465</b>
5	Reported Incurred Loss & ALAE	173,298	171,745	277,307	622,350
6	Salvage & Subrogation	(64,542)	(55,095)	(28,755)	(148,393)
7	Incurred Loss & ALAE Excluding Sal & Sub = (5) - (6)	237,840	226,840	306,062	770,742
8	Loss Development Factor	1.002	1.006	1.030	
9	Ultimate Incurred Loss & ALAE Excluding Sal & Sub = (7) x (8)	238,360	228,264	315,254	781,879
10	Expected Salvage and Subrogation = (9) x Sal & Sub Factor	(53,945)	(51,661)	(71,348)	(176,954)
11	Expected Incurred Loss & ALAE = (9) + (10)	184,415	176,604	243,906	604,925
12	Unallocated Loss Adjustment Expense	1.099	1.099	1.099	
13	Expected Loss and LAE = (11) x (12)	202,672	194,088	268,053	664,812
14	Current Cost Trend	1.051	1.025	1.000	
15	Projected Trend	1.057	1.057	1.057	
16	<b>Ultimate Trended Loss &amp; LAE = (13) x (14) x (15)</b>	<b>225,123</b>	<b>210,330</b>	<b>283,401</b>	<b>718,854</b>
17	Ultimate Loss & LAE Ratio	63.9%	59.2%	84.6%	69.0%
18	AY Weights	20.0%	30.0%	50.0%	100.0%
19	Weight Loss & LAE Ratio				72.9%
20	Expected Loss & LAE Ratio				67.5%
21	Rate Level Indication before Credibility = (19) / (20) - 1				7.9%
22	Claim Count (excluding Closed w/o Pay)	78	89	96	263
23	Claim Development Factors	1.000	1.000	1.000	
24	Ultimate Claims = (23) x (22)	78	89	96	263
25	Credibility = ((24) / Standard) ^ .5 where Standard = 4,200				25.0%
26	Complement of Credibility				1.5%
27	<b>Credibility Weighted Indication = (25) x (21) + [1-(25)] x (26)</b>				<b>3.1%</b>

Lines (8), (23): Please see attached support for development factors

Lines (2), (14), (15), (26): Trend factors are based on an ISO analysis.

Line (20): Please see the investment income calculations for support.

Line (26) =

100.0% x 1.5% Net Trend - All Products

**Other Factors**

Exposure Trend	1.0%
Annual Projected Loss Trend	2.5%
Average Accident Date for latest Year	6/30/2018
Effective Date	10/1/2019
One Year Past Effective Date	9/30/2020
Trend Period for Projection	2.25
Salvage and Subrogation Factor	(0.226)

PHILADELPHIA INDEMNITY INSURANCE COMPANY  
COMMERCIAL AUTOMOBILE PHYSICAL DAMAGE  
**Countrywide - All Products**  
Rate Level Indications

		Fiscal Accident Year Ending 12/31			
		2016	2017	2018	Total
1	Earned Premium	88,072,097	94,197,506	101,405,020	283,674,623
2	Exposure Trend	1.043	1.033	1.023	
3	On-level Factor	1.094	1.070	1.038	
4	<b>On-level and Trended Earned Premium = (1) x (2) x (3)</b>	<b>100,505,662</b>	<b>104,109,873</b>	<b>107,679,630</b>	<b>312,295,164</b>
5	Reported Incurred Loss & ALAE	56,628,904	63,540,398	74,093,408	194,262,709
6	Salvage & Subrogation	(16,335,821)	(17,355,494)	(13,690,782)	(47,382,097)
7	Incurred Loss & ALAE Excluding Sal & Sub = (5) - (6)	72,964,725	80,895,892	87,784,190	241,644,806
8	Loss Development Factor	1.002	1.006	1.030	
9	Ultimate Incurred Loss & ALAE Excluding Sal & Sub = (7) x (8)	73,124,154	81,403,896	90,420,702	244,948,752
10	Expected Salvage and Subrogation = (9) x Sal & Sub Factor	(16,549,409)	(18,423,275)	(20,463,952)	(55,436,636)
11	Expected Incurred Loss & ALAE = (9) + (10)	56,574,745	62,980,622	69,956,750	189,512,116
12	Unallocated Loss Adjustment Expense	1.099	1.099	1.099	
13	Expected Loss and LAE = (11) x (12)	62,175,645	69,215,703	76,882,468	208,273,816
14	Current Cost Trend	1.051	1.025	1.000	
15	Projected Trend	1.057	1.057	1.057	
16	<b>Ultimate Trended Loss &amp; LAE = (13) x (14) x (15)</b>	<b>69,063,430</b>	<b>75,008,177</b>	<b>81,284,442</b>	<b>225,356,049</b>
17	Ultimate Loss & LAE Ratio	68.7%	72.0%	75.5%	72.2%
18	AY Weights	20.0%	30.0%	50.0%	100.0%
19	Weight Loss & LAE Ratio				73.1%
20	Expected Loss & LAE Ratio				67.2%
21	Rate Level Indication before Credibility = (19) / (20) - 1				8.8%
22	Claim Count (excluding Closed w/o Pay)	19,090	20,253	21,147	60,490
23	Claim Development Factors	1.000	1.000	1.000	
24	Ultimate Claims = (23) x (22)	19,090	20,253	21,147	60,490
25	Credibility = ((24) / Standard) ^ .5 where Standard = 4,200				100.0%
26	Complement of Credibility				0.0%
27	<b>Credibility Weighted Indication = (25) x (21) + [1-(25)] x (26)</b>				<b>8.8%</b>

Lines (8), (23): Please see attached support for development factors

Lines (2), (14), (15), (26): Trend factors are based on an ISO analysis.

Line (20): Please see the investment income calculations for support.

Line (26) =

**Other Factors**

Exposure Trend	1.0%
Annual Projected Loss Trend	2.5%
Average Accident Date for latest Year	6/30/2018
Effective Date	10/1/2019
One Year Past Effective Date	9/30/2020
Trend Period for Projection	2.25
Salvage and Subrogation Factor	(0.226)

Philadelphia Indemnity Insurance Company  
Investment Income Calculation  
CPP Commercial Auto Physical Damage - Occurrence - Form ISO  
District of Columbia

a	Target After-Tax Return on Surplus	11.8%
b	Federal Income Tax Load	15.7%
c	Target Pre-Tax Return on Surplus (a / (1 - b))	14.0%
d	Projected Investment Return on Surplus	3.7%
e	Target Return on Insurance Operations (c - d)	10.3%
f	Line of Business Premium / Surplus	2.07
g	Target Return on Premium (e / f)	5.0%
h	Expense Provisions	28.4%
i	Premium Discount Factor	0.994
j	Expense Discount Factor	0.992
k	Loss Discount Factor	0.982
l	Expected Loss Ratio ((i - g - h * j) / (k))	67.5%
m	Profit Provision (1 - h - l)	4.1%

(1)	Base Commission and Brokerage	15.2%
(2)	Contingent Commissions	0.0%
(3)	Other Acquisition	6.3%
(4)	General Expenses	4.9%
(5)	Residual Market Load	0.0%
(6)	Reinsurance Expense	0.0%
(7)	ULAE	0.0%
(8)	Taxes, Licenses, & Fees	2.0%
(9)	Total Expenses	28.4%
(10)	Profit Provision	4.1%
(11)	Expenses and Profit Provision	32.5%
(12)	Permissible Loss Ratio	67.5%
(13)	Total	100.0%

Year	Incremental Payout Pattern			Discount Factor	Discounted Payout	
	Premium	Expenses	Loss & LAE		Premium	Expenses
0.00	38.4%	20.6%	0.0%	1.000	38.4%	20.6%
0.08	7.8%	4.2%	0.0%	0.998	7.8%	4.2%
0.17	7.8%	4.2%	0.0%	0.996	7.7%	4.1%
0.25	7.5%	11.1%	0.0%	0.994	7.5%	11.0%
0.33	6.8%	3.6%	0.0%	0.992	6.7%	3.6%
0.42	6.8%	3.6%	0.0%	0.990	6.7%	3.6%
0.50	6.2%	42.7%	0.0%	0.988	6.1%	42.2%
0.58	6.2%	3.3%	83.7%	0.986	6.1%	3.3%
0.67	6.2%	3.3%	0.0%	0.984	6.1%	3.3%
0.75	6.2%	3.3%	0.0%	0.982	6.1%	3.2%
0.83	0.2%	0.1%	0.0%	0.980	0.2%	0.1%
0.92	0.2%	0.1%	0.0%	0.978	0.2%	0.1%
1.00	0.0%	0.0%	0.0%	0.977	0.0%	0.0%
1.50	0.0%	0.0%	15.3%	0.966	0.0%	0.0%
2.50	0.0%	0.0%	0.7%	0.946	0.0%	0.0%
3.50	0.0%	0.0%	0.3%	0.925	0.0%	0.0%
4.50	0.0%	0.0%	0.0%	0.904	0.0%	0.0%
5.50	0.0%	0.0%	0.0%	0.882	0.0%	0.0%
6.50	0.0%	0.0%	0.0%	0.859	0.0%	0.0%
7.50	0.0%	0.0%	0.0%	0.836	0.0%	0.0%
8.50	0.0%	0.0%	0.0%	0.814	0.0%	0.0%
9.50	0.0%	0.0%	0.0%	0.792	0.0%	0.0%
10.50	0.0%	0.0%	0.0%	0.770	0.0%	0.0%
11.50	0.0%	0.0%	0.0%	0.749	0.0%	0.0%
12.50	0.0%	0.0%	0.0%	0.728	0.0%	0.0%
13.50	0.0%	0.0%	0.0%	0.708	0.0%	0.0%
14.50	0.0%	0.0%	0.0%	0.687	0.0%	0.0%
Total	100.0%	100.0%	100.0%		99.4%	99.2%
						98.2%



Philadelphia Indemnity Insurance Company  
Investment Income Calculation  
CPP Commercial Auto Physical Damage - Occurrence - Form ISO  
Countrywide

a	Target After-Tax Return on Surplus	11.8%
b	Federal Income Tax Load	15.7%
c	Target Pre-Tax Return on Surplus (a / (1 - b))	14.0%
d	Projected Investment Return on Surplus	3.7%
e	Target Return on Insurance Operations (c - d)	10.3%
f	Line of Business Premium / Surplus	2.07
g	Target Return on Premium (e / f)	5.0%
h	Expense Provisions	28.7%
i	Premium Discount Factor	0.994
j	Expense Discount Factor	0.992
k	Loss Discount Factor	0.982
l	Expected Loss Ratio ((i - g - h * j) / (k))	67.2%
m	Profit Provision (1 - h - l)	4.1%

(1)	Base Commission and Brokerage	15.2%
(2)	Contingent Commissions	0.0%
(3)	Other Acquisition	6.3%
(4)	General Expenses	4.9%
(5)	Residual Market Load	0.0%
(6)	Reinsurance Expense	0.0%
(7)	ULAE	0.0%
(8)	Taxes, Licenses, & Fees	2.3%
(9)	Total Expenses	28.7%
(10)	Profit Provision	4.1%
(11)	Expenses and Profit Provision	32.8%
(12)	Permissible Loss Ratio	67.2%
(13)	Total	100.0%

Year	Incremental Payout Pattern			Discount Factor	Discounted Payout		
	Premium	Expenses	Loss & LAE		Premium	Expenses	Loss & LAE
0.00	38.4%	20.3%	0.0%	1.000	38.4%	20.3%	0.0%
0.08	7.8%	4.1%	0.0%	0.998	7.8%	4.1%	0.0%
0.17	7.8%	4.1%	0.0%	0.996	7.7%	4.1%	0.0%
0.25	7.5%	12.2%	0.0%	0.994	7.5%	12.1%	0.0%
0.33	6.8%	3.6%	0.0%	0.992	6.7%	3.6%	0.0%
0.42	6.8%	3.6%	0.0%	0.990	6.7%	3.5%	0.0%
0.50	6.2%	42.2%	0.0%	0.988	6.1%	41.6%	0.0%
0.58	6.2%	3.3%	83.7%	0.986	6.1%	3.2%	82.5%
0.67	6.2%	3.3%	0.0%	0.984	6.1%	3.2%	0.0%
0.75	6.2%	3.3%	0.0%	0.982	6.1%	3.2%	0.0%
0.83	0.2%	0.1%	0.0%	0.980	0.2%	0.1%	0.0%
0.92	0.2%	0.1%	0.0%	0.978	0.2%	0.1%	0.0%
1.00	0.0%	0.0%	0.0%	0.977	0.0%	0.0%	0.0%
1.50	0.0%	0.0%	15.3%	0.966	0.0%	0.0%	14.7%
2.50	0.0%	0.0%	0.7%	0.946	0.0%	0.0%	0.7%
3.50	0.0%	0.0%	0.3%	0.925	0.0%	0.0%	0.2%
4.50	0.0%	0.0%	0.0%	0.904	0.0%	0.0%	0.0%
5.50	0.0%	0.0%	0.0%	0.882	0.0%	0.0%	0.0%
6.50	0.0%	0.0%	0.0%	0.859	0.0%	0.0%	0.0%
7.50	0.0%	0.0%	0.0%	0.836	0.0%	0.0%	0.0%
8.50	0.0%	0.0%	0.0%	0.814	0.0%	0.0%	0.0%
9.50	0.0%	0.0%	0.0%	0.792	0.0%	0.0%	0.0%
10.50	0.0%	0.0%	0.0%	0.770	0.0%	0.0%	0.0%
11.50	0.0%	0.0%	0.0%	0.749	0.0%	0.0%	0.0%
12.50	0.0%	0.0%	0.0%	0.728	0.0%	0.0%	0.0%
13.50	0.0%	0.0%	0.0%	0.708	0.0%	0.0%	0.0%
14.50	0.0%	0.0%	0.0%	0.687	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%		99.4%	99.2%	98.2%

**PHILADELPHIA INDEMNITY INSURANCE COMPANY**  
PROJECTED EXPENSES

**21.2 - CPP Commercial Auto Physical Damage**

	I.E.E. 2014	I.E.E. 2015	I.E.E. 2016	I.E.E. 2017	I.E.E. 2018	Total
<b>Commissions (Line Specific)</b>						
Written Premium	84,862	88,179	95,803	101,325	109,470	306,598
Commissions	12,841	13,171	14,374	14,984	16,592	45,950
Commission Rate	15.1%	14.9%	15.0%	14.8%	15.2%	15.0%
Selected						15.2%

<b>Other Acquisitions (Line Specific)</b>						
Written Premium	84,862	88,179	95,803	101,325	109,470	306,598
Other Acquisitions	4,261	5,096	6,179	6,371	6,668	19,218
Other Acquisitions Rate	5.0%	5.8%	6.4%	6.3%	6.1%	6.3%
Selected						6.3%

<b>General Expenses (Line Specific)</b>						
Earned Premium	81,813	85,628	91,680	98,346	105,446	295,472
General Expenses	4,097	4,230	4,818	4,770	5,020	14,608
General Expenses Rate	5.0%	4.9%	5.3%	4.9%	4.8%	4.9%
Selected						4.9%

<b>Taxes, Licenses, and Fees (Line Specific)</b>						
Written Premium	84,862	88,179	95,803	101,325	109,470	306,598
Taxes, Licenses, and Fees	2,074	1,767	2,172	2,307	2,723	7,202
Tax Rate	2.4%	2.0%	2.3%	2.3%	2.5%	2.3%
Selected						2.3%

<b>Total Expenses as a % of Written Premium</b>						
Written Premium	84,862	88,179	95,803	101,325	109,470	306,598
Total Expenses	23,273	24,264	27,543	28,432	31,003	86,978
Expense Rate	27.4%	27.5%	28.7%	28.1%	28.3%	28.4%

<b>ALAE to Loss</b>						
Incurred Loss	49,319	49,636	56,343	61,264	67,661	185,268
Defense and Cost Containment	160	242	172	796	274	1,242
ALAE Ratio	0.3%	0.5%	0.3%	1.3%	0.4%	0.7%
Selected						2.1%

<b>ULAE to Loss</b>						
Incurred Loss	49,319	49,636	56,343	61,264	67,661	185,268
Adjusting and Other Expense	8,879	9,231	10,711	4,668	5,964	21,343
ULAE Ratio	18.0%	18.6%	19.0%	7.6%	8.8%	11.5%
Selected						10.1%

<b>ULAE to Loss &amp; ALAE</b>						
Incurred Loss	49,319	49,636	56,343	61,264	67,661	185,268
Defense and Cost Containment	160	242	172	796	274	1,242
Adjusting and Other Expense	8,879	9,231	10,711	4,668	5,964	21,343
ULAE Ratio	17.9%	18.5%	19.0%	7.5%	8.8%	11.4%
Selected						9.9%

<b>LAE to Loss</b>						
Incurred Loss	49,319	49,636	56,343	61,264	67,661	185,268
Defense and Cost Containment	160	242	172	796	274	1,242
Adjusting and Other Expense	8,879	9,231	10,711	4,668	5,964	21,343
LAE Ratio	18.3%	19.1%	19.3%	8.9%	9.2%	12.2%
Selected						12.2%

CERTIFICATION: I hereby certify that the information contained in this Rate Filing and Rate Abstract is true and correct to the best of my knowledge.

Signature Justin Mangiaracina

Title Manager & Pricing Actuary

Company Tokio Marine North America Services, LLC

Address Three Bala Plaza, Suite 400, Bala Cynwyd PA 19004

Telephone 610 617-6093

Philadelphia Indemnity Insurance Company

Commercial Auto

Hired Auto Physical Damage

Filing Memorandum

Countrywide

Philadelphia Indemnity Insurance Company is filing a correction to our recent filing for additional deductibles and respective loss costs for our existing Hired Auto Physical Damage coverage. The correction is due to a revision in the loss cost development methodology. The proposed deductibles for Comprehensive coverage are those 500 and greater and the proposed deductibles for Collision coverage are those 2,500 and greater. The revised proposed loss costs for each proposed deductible level were developed based on implied relativities of ISO's rule 98 deductible factors. These relativities were applied to ISO's rule 90 loss costs to estimate appropriate loss costs for deductible levels above those which ISO offers in rule 90. Loss costs for existing deductible options in ISO's rule 90 are unchanged. Also, no insureds are currently using the proposed deductible levels as initially filed. As such, there is no rate impact.

Philadelphia Indemnity Insurance Company  
Commercial Automobile  
Hired Auto Physical Damage Deductibles  
Countrywide

Rate Plan

Comprehensive

Deductible	Loss Cost
No Deductible	0.340
50	0.320
100	0.310
500	0.240
1,000	0.208
2,500	0.155
5,000	0.115
10,000	0.100

Collision

Deductible	Loss Cost
100	0.510
250	0.490
500	0.460
1,000	0.430
2,500	0.340
5,000	0.200
10,000	0.145

Philadelphia Indemnity Insurance Company  
Commercial Automobile  
Hired Auto Physical Damage Deductibles  
Countrywide

Development - Relevant ISO Tables

Price Range	Comprehensive and Specified Causes Of Loss	Collision
\$ 0 -- 4500	0.50	0.36
4501 -- 6000	0.65	0.40
6001 -- 8000	0.75	0.45
8001 -- 10000	0.85	0.70
10001 -- 15000	0.90	0.88
15001 -- 20000	1.00	1.00
20001 -- 25000	1.07	1.06
25001 -- 40000	1.30	1.35
40001 -- 65000	1.55	1.90
65001 -- 90000	1.70	2.60
Each Additional \$1000 over \$90000*	0.007	0.025
* For autos with an original cost new in excess of \$90000: (i) Subtract 90000 from the original cost new. (ii) Divide the result by 1000. (iii) Multiply by the appropriate "Each Additional \$1000 over \$90000" factor. (iv) Add the result to the appropriate 65001 -- 90000 factor.		

Table 101.A.4.a.(1)(a) Trucks, Tractors And Trailers And Public Autos Original Cost New Factors

Price Range	Comprehensive	Collision
\$ 0 -- 4500	0.50	0.50
4501 -- 6000	0.60	0.60
6001 -- 8000	0.70	0.70
8001 -- 10000	0.80	0.90
10001 -- 15000	0.90	0.95
15001 -- 20000	1.00	1.00
20001 -- 25000	1.12	1.05
25001 -- 40000	1.25	1.10
40001 -- 65000	1.60	1.25
65001 -- 90000	2.20	1.70
Each Additional \$1000 over \$90000*	0.02	0.01
* For autos with an original cost new in excess of \$90000: (i) Subtract 90000 from the original cost new. (ii) Divide the result by 1000. (iii) Multiply by the appropriate "Each Additional \$1000 over \$90000" factor. (iv) Add the result to the appropriate 65001 -- 90000 factor.		

Table 101.A.4.a.(2)(a) Private Passenger Types Original Cost New Factors

Coverage	Deductible	Loss Cost Per Each \$100 Annual Cost Of Hire
Comprehensive	No Deductible	0.34
	50 Deductible	0.32
	100 Deductible	0.31
Collision	100 Deductible	0.51
	250 Deductible	0.49
	500 Deductible	0.46
	1,000 Deductible	0.43
Specified Causes of Loss	No Deductible	0.16

Table 90.C.3.c.(LC) Hired Autos Physical Damage Loss Costs

Philadelphia Indemnity Insurance Company  
Commercial Automobile  
Hired Auto Physical Damage Deductibles  
Countrywide

Development - Relevant ISO Deductible Factors and Calculations - Comprehensive

	(1)	(2) = (1 - (1))	(3) = (2) / (2).Full
Deductible	Factor	Implied Ded Factor*	Implied Relativity
\$ Full	-0.420	1.420	1.000
50	-0.340	1.340	0.944
100	-0.280	1.280	0.901
250	-0.130	1.130	0.796
500	0.000	1.000	0.704
1,000	0.110	0.890	0.627
2,000	0.260	0.740	0.521
3,000	0.310	0.690	0.486
5,000	0.390	0.610	0.430

Table 98.B.1.b.(1)(b) Trucks, Tractors And Trailers And All Autos Except Zone-rated Risks Comprehensive Deductible Factors

\*Assuming base Original Cost New level of 15,001 - 20,000 and calculating [Original Cost New Factor] - [Deductible factor from Rule 98]

	(1)	(2) = (1 - (1))	(3) = (2) / (2).Full
Deductible	Factor	Implied Ded Factor*	Implied Relativity
\$ Full	-0.410	1.410	1.000
50	-0.340	1.340	0.950
100	-0.300	1.300	0.922
250	-0.160	1.160	0.823
500	0.000	1.000	0.709
1,000	0.160	0.840	0.596
2,000	0.370	0.630	0.447
3,000	0.480	0.520	0.369
5,000	0.650	0.350	0.248

Table 98.B.1.b.(1)(a) Private Passenger Types Comprehensive Deductible Factors

\*Assuming base Original Cost New level of 15,001 - 20,000 and calculating [Original Cost New Factor] - [Deductible factor from Rule 98]

Philadelphia Indemnity Insurance Company  
Commercial Automobile  
Hired Auto Physical Damage Deductibles  
Countrywide

Derivation of Selected Loss Costs for Comprehensive

(D)	(1)	(2)*	(3)*	(4) = [(2) + (3)] / 2	(5) = [(1).Full] x (4)	(6) = [(4)n - (4)n-1] / [(D)n - (D)n-1]	(7)**	(8) = (7) / (7).Full	(9) = [(8)n - (8)n-1] / [(D)n - (D)n-1]
Deductible	ISO Rule 90 Loss Cost	ISO Rule 98 Relativity - Trucks	ISO Rule 98 Relativity - PPT	Average Relativity	Indicated Loss Cost	Indicated Marginal Change	Selected Loss Cost	Selected Relativity	Selected Marginal Change
No Deductible	0.340	1.000	1.000	1.000	0.340		0.340	1.000	
50	0.320	0.944	0.950	0.947	0.322	-0.1060%	0.320	0.941	-0.1176%
100	0.310	0.901	0.922	0.912	0.310	-0.0706%	0.310	0.912	-0.0588%
500		0.704	0.709	0.707	0.240	-0.0512%	0.240	0.706	-0.0515%
1,000		0.627	0.596	0.611	0.208	-0.0191%	0.208	0.612	-0.0188%
2,500		0.504	0.408	0.456	0.155	-0.0104%	0.155	0.456	-0.0104%
5,000		0.430	0.248	0.339	0.115	-0.0047%	0.115	0.338	-0.0047%
10,000							0.100	0.294	-0.0009%

\*Used linear interpolation of calculated relativities for 2,000 and 3,000 deductible levels to derive 2,500 deductible level relativity

\*\*Selected ISO rule 90 loss cost for No Deductible, 50, and 100 deductible levels. For deductible levels 500 and higher, selected indicated loss cost and judgmentally adjusted for reversals in marginal change. Judgmentally selected 10,000 deductible level loss cost.



Philadelphia Indemnity Insurance Company  
Commercial Automobile  
Hired Auto Physical Damage Deductibles  
Countrywide

Development - Relevant ISO Deductible Factors and Calculations - Collision

		(1)	(2) = (1 - (1))	(3) = (2) / (2).100
Deductible	Factor	Implied Ded Factor*	Implied Relativity	
\$ 50	-0.120	1.120	1.009	
100	-0.110	1.110	1.000	
250	-0.065	1.065	0.959	
500	0.000	1.000	0.901	
1,000	0.120	0.880	0.793	
2,000	0.320	0.680	0.613	
3,000	0.450	0.550	0.495	
5,000	0.570	0.430	0.387	

Table 98.B.1.b.(2)(b) Trucks, Tractors And Trailers And All Autos Except Zone-rated Risks Collision Deductible Factors

\*Assuming base Original Cost New level of 15,001 - 20,000 and calculating [Original Cost New Factor] - [Deductible factor from Rule 98]

		(1)	(2) = (1 - (1))	(3) = (2) / (2).100
Deductible	Factor	Implied Ded Factor*	Implied Relativity	
\$ 50	-0.130	1.130	1.018	
100	-0.110	1.110	1.000	
200	-0.080	1.080	0.973	
250	-0.070	1.070	0.964	
500	0.000	1.000	0.901	
1,000	0.110	0.890	0.802	
2,000	0.260	0.740	0.667	
3,000	0.390	0.610	0.550	
5,000	0.560	0.440	0.396	

Table 98.B.1.b.(2)(a) Private Passenger Types Collision Deductible Factors

\*Assuming base Original Cost New level of 15,001 - 20,000 and calculating [Original Cost New Factor] - [Deductible factor from Rule 98]

Philadelphia Indemnity Insurance Company  
Commercial Automobile  
Hired Auto Physical Damage Deductibles  
Countrywide

Derivation of Selected Loss Costs for Collision

(D)	(1)	(2)*	(3)*	(4) = [(2) + (3)] / 2	(5) = [(1).100] x (4)	(6) = [(4)n - (4)n-1] / [(D)n - (D)n-1]	(7)**	(8) = (7) / (7).100	(9) = [(8)n - (8)n-1] / [(D)n - (D)n-1]
Deductible	ISO Rule 90 Loss Cost	ISO Rule 98 Relativity - Trucks*	ISO Rule 98 Relativity - PPT*	Average Relativity	Indicated Loss Cost	Indicated Marginal Change	Selected Loss Cost	Selected Relativity	Selected Marginal Change
100	0.510	1.000	1.000	1.000	0.510		0.510	1.000	
250	0.490	0.959	0.964	0.962	0.490	-0.0130%	0.490	0.961	-0.0261%
500	0.460	0.901	0.901	0.901	0.459	-0.0124%	0.460	0.902	-0.0235%
1,000	0.430	0.793	0.802	0.797	0.407	-0.0106%	0.430	0.843	-0.0118%
2,500		0.554	0.608	0.581	0.296	-0.0074%	0.340	0.667	-0.0118%
5,000		0.387	0.396	0.392	0.200	-0.0039%	0.200	0.392	-0.0110%
10,000							0.145	0.284	-0.0022%

\*Used linear interpolation of calculated relativities for 2,000 and 3,000 deductible levels to derive 2,500 deductible level relativity

\*\*Selected ISO rule 90 loss cost for 100, 250, 500 and 1,000 deductible levels. For deductible levels 2,500 and higher, selected indicated loss cost and judgmentally adjusted for reversals in marginal change. Judgmentally selected 10,000 deductible level loss cost.

**Philadelphia Indemnity Insurance Company**  
**Commercial Auto Physical Damage**  
**Premium and Policy Counts**

DC Only

<b>Fiscal AY</b>	<b>Policy Count</b>	<b>Written Premium</b>
2015	128	318,647
2016	127	362,922
2017	133	341,983
2018	136	328,442
2019	145	313,156
<b>Total</b>	<b>668</b>	<b>1,665,150</b>

Countrywide

<b>Fiscal AY</b>	<b>Policy Count</b>	<b>Written Premium</b>
2015	28,378	87,316,600
2016	28,535	93,163,757
2017	29,132	99,856,226
2018	29,713	107,122,636
2019	31,400	114,414,691
<b>Total</b>	<b>147,159</b>	<b>501,873,910</b>

PHILADELPHIA INDEMNITY INSURANCE COMPANY  
COMMERCIAL AUTOMOBILE PHYSICAL DAMAGE  
District of Columbia - All Products  
Rate Level Indications

		Fiscal Accident Year Ending 12/31			
		2016	2017	2018	Total
1	Earned Premium	337,796	343,897	327,414	1,009,108
2	Exposure Trend	1.043	1.033	1.023	
3	On-level Factor	1.000	1.000	1.000	
4	<b>On-level and Trended Earned Premium = (1) x (2) x (3)</b>	<b>352,404</b>	<b>355,217</b>	<b>334,843</b>	<b>1,042,465</b>
5	Reported Incurred Loss & ALAE	173,298	171,745	277,307	622,350
6	Salvage & Subrogation	(64,542)	(55,095)	(28,755)	(148,393)
7	Incurred Loss & ALAE Excluding Sal & Sub = (5) - (6)	237,840	226,840	306,062	770,742
8	Loss Development Factor	1.002	1.006	1.030	
9	Ultimate Incurred Loss & ALAE Excluding Sal & Sub = (7) x (8)	238,360	228,264	315,254	781,879
10	Expected Salvage and Subrogation = (9) x Sal & Sub Factor	(53,945)	(51,661)	(71,348)	(176,954)
11	Expected Incurred Loss & ALAE = (9) + (10)	184,415	176,604	243,906	604,925
12	Unallocated Loss Adjustment Expense	1.099	1.099	1.099	
13	Expected Loss and LAE = (11) x (12)	202,672	194,088	268,053	664,812
14	Current Cost Trend	1.051	1.025	1.000	
15	Projected Trend	1.057	1.057	1.057	
16	<b>Ultimate Trended Loss &amp; LAE = (13) x (14) x (15)</b>	<b>225,123</b>	<b>210,330</b>	<b>283,401</b>	<b>718,854</b>
17	Ultimate Loss & LAE Ratio	63.9%	59.2%	84.6%	69.0%
18	AY Weights	20.0%	30.0%	50.0%	100.0%
19	Weight Loss & LAE Ratio				72.9%
20	Expected Loss & LAE Ratio				67.5%
21	Rate Level Indication before Credibility = (19) / (20) - 1				7.9%
22	Claim Count (excluding Closed w/o Pay)	78	89	96	263
23	Claim Development Factors	1.000	1.000	1.000	
24	Ultimate Claims = (23) x (22)	78	89	96	263
25	Credibility = ((24) / Standard) ^ .5 where Standard = 4,200				25.0%
26	Complement of Credibility				1.5%
27	<b>Credibility Weighted Indication = (25) x (21) + [1-(25)] x (26)</b>				<b>3.1%</b>

Lines (8), (23): Please see attached support for development factors

Lines (2), (14), (15), (26): Trend factors are based on an ISO analysis.

Line (20): Please see the investment income calculations for support.

Line (26) =

100.0% x 1.5% Net Trend - All Products

**Other Factors**

Exposure Trend	1.0%
Annual Projected Loss Trend	2.5%
Average Accident Date for latest Year	6/30/2018
Effective Date	10/1/2019
One Year Past Effective Date	9/30/2020
Trend Period for Projection	2.25
Salvage and Subrogation Factor	(0.226)

PHILADELPHIA INDEMNITY INSURANCE COMPANY  
COMMERCIAL AUTOMOBILE PHYSICAL DAMAGE  
**Countrywide - All Products**  
Rate Level Indications

		Fiscal Accident Year Ending 12/31			
		2016	2017	2018	Total
1	Earned Premium	88,072,097	94,197,506	101,405,020	283,674,623
2	Exposure Trend	1.043	1.033	1.023	
3	On-level Factor	1.094	1.070	1.038	
4	<b>On-level and Trended Earned Premium = (1) x (2) x (3)</b>	<b>100,505,662</b>	<b>104,109,873</b>	<b>107,679,630</b>	<b>312,295,164</b>
5	Reported Incurred Loss & ALAE	56,628,904	63,540,398	74,093,408	194,262,709
6	Salvage & Subrogation	(16,335,821)	(17,355,494)	(13,690,782)	(47,382,097)
7	Incurred Loss & ALAE Excluding Sal & Sub = (5) - (6)	72,964,725	80,895,892	87,784,190	241,644,806
8	Loss Development Factor	1.002	1.006	1.030	
9	Ultimate Incurred Loss & ALAE Excluding Sal & Sub = (7) x (8)	73,124,154	81,403,896	90,420,702	244,948,752
10	Expected Salvage and Subrogation = (9) x Sal & Sub Factor	(16,549,409)	(18,423,275)	(20,463,952)	(55,436,636)
11	Expected Incurred Loss & ALAE = (9) + (10)	56,574,745	62,980,622	69,956,750	189,512,116
12	Unallocated Loss Adjustment Expense	1.099	1.099	1.099	
13	Expected Loss and LAE = (11) x (12)	62,175,645	69,215,703	76,882,468	208,273,816
14	Current Cost Trend	1.051	1.025	1.000	
15	Projected Trend	1.057	1.057	1.057	
16	<b>Ultimate Trended Loss &amp; LAE = (13) x (14) x (15)</b>	<b>69,063,430</b>	<b>75,008,177</b>	<b>81,284,442</b>	<b>225,356,049</b>
17	Ultimate Loss & LAE Ratio	68.7%	72.0%	75.5%	72.2%
18	AY Weights	20.0%	30.0%	50.0%	100.0%
19	Weight Loss & LAE Ratio				73.1%
20	Expected Loss & LAE Ratio				67.2%
21	Rate Level Indication before Credibility = (19) / (20) - 1				8.8%
22	Claim Count (excluding Closed w/o Pay)	19,090	20,253	21,147	60,490
23	Claim Development Factors	1.000	1.000	1.000	
24	Ultimate Claims = (23) x (22)	19,090	20,253	21,147	60,490
25	Credibility = ((24) / Standard) ^ .5 where Standard = 4,200				100.0%
26	Complement of Credibility				0.0%
27	<b>Credibility Weighted Indication = (25) x (21) + [1-(25)] x (26)</b>				<b>8.8%</b>

Lines (8), (23): Please see attached support for development factors

Lines (2), (14), (15), (26): Trend factors are based on an ISO analysis.

Line (20): Please see the investment income calculations for support.

Line (26) =

**Other Factors**

Exposure Trend	1.0%
Annual Projected Loss Trend	2.5%
Average Accident Date for latest Year	6/30/2018
Effective Date	10/1/2019
One Year Past Effective Date	9/30/2020
Trend Period for Projection	2.25
Salvage and Subrogation Factor	(0.226)

Philadelphia Indemnity Insurance Company  
Investment Income Calculation  
CPP Commercial Auto Physical Damage - Occurrence - Form ISO  
District of Columbia

a	Target After-Tax Return on Surplus	11.8%
b	Federal Income Tax Load	15.7%
c	Target Pre-Tax Return on Surplus (a / (1 - b))	14.0%
d	Projected Investment Return on Surplus	3.7%
e	Target Return on Insurance Operations (c - d)	10.3%
f	Line of Business Premium / Surplus	2.07
g	Target Return on Premium (e / f)	5.0%
h	Expense Provisions	28.4%
i	Premium Discount Factor	0.994
j	Expense Discount Factor	0.992
k	Loss Discount Factor	0.982
l	Expected Loss Ratio ((i - g - h * j) / (k))	67.5%
m	Profit Provision (1 - h - l)	4.1%

(1)	Base Commission and Brokerage	15.2%
(2)	Contingent Commissions	0.0%
(3)	Other Acquisition	6.3%
(4)	General Expenses	4.9%
(5)	Residual Market Load	0.0%
(6)	Reinsurance Expense	0.0%
(7)	ULAE	0.0%
(8)	Taxes, Licenses, & Fees	2.0%
(9)	Total Expenses	28.4%
(10)	Profit Provision	4.1%
(11)	Expenses and Profit Provision	32.5%
(12)	Permissible Loss Ratio	67.5%
(13)	Total	100.0%

Year	Incremental Payout Pattern			Discount Factor	Discounted Payout	
	Premium	Expenses	Loss & LAE		Premium	Expenses
0.00	38.4%	20.6%	0.0%	1.000	38.4%	20.6%
0.08	7.8%	4.2%	0.0%	0.998	7.8%	4.2%
0.17	7.8%	4.2%	0.0%	0.996	7.7%	4.1%
0.25	7.5%	11.1%	0.0%	0.994	7.5%	11.0%
0.33	6.8%	3.6%	0.0%	0.992	6.7%	3.6%
0.42	6.8%	3.6%	0.0%	0.990	6.7%	3.6%
0.50	6.2%	42.7%	0.0%	0.988	6.1%	42.2%
0.58	6.2%	3.3%	83.7%	0.986	6.1%	3.3%
0.67	6.2%	3.3%	0.0%	0.984	6.1%	3.3%
0.75	6.2%	3.3%	0.0%	0.982	6.1%	3.2%
0.83	0.2%	0.1%	0.0%	0.980	0.2%	0.1%
0.92	0.2%	0.1%	0.0%	0.978	0.2%	0.1%
1.00	0.0%	0.0%	0.0%	0.977	0.0%	0.0%
1.50	0.0%	0.0%	15.3%	0.966	0.0%	0.0%
2.50	0.0%	0.0%	0.7%	0.946	0.0%	0.0%
3.50	0.0%	0.0%	0.3%	0.925	0.0%	0.0%
4.50	0.0%	0.0%	0.0%	0.904	0.0%	0.0%
5.50	0.0%	0.0%	0.0%	0.882	0.0%	0.0%
6.50	0.0%	0.0%	0.0%	0.859	0.0%	0.0%
7.50	0.0%	0.0%	0.0%	0.836	0.0%	0.0%
8.50	0.0%	0.0%	0.0%	0.814	0.0%	0.0%
9.50	0.0%	0.0%	0.0%	0.792	0.0%	0.0%
10.50	0.0%	0.0%	0.0%	0.770	0.0%	0.0%
11.50	0.0%	0.0%	0.0%	0.749	0.0%	0.0%
12.50	0.0%	0.0%	0.0%	0.728	0.0%	0.0%
13.50	0.0%	0.0%	0.0%	0.708	0.0%	0.0%
14.50	0.0%	0.0%	0.0%	0.687	0.0%	0.0%
Total	100.0%	100.0%	100.0%		99.4%	99.2%
						98.2%

Philadelphia Indemnity Insurance Company  
Investment Income Calculation  
CPP Commercial Auto Physical Damage - Occurrence - Form ISO  
Countrywide

a	Target After-Tax Return on Surplus	11.8%
b	Federal Income Tax Load	15.7%
c	Target Pre-Tax Return on Surplus (a / (1 - b))	14.0%
d	Projected Investment Return on Surplus	3.7%
e	Target Return on Insurance Operations (c - d)	10.3%
f	Line of Business Premium / Surplus	2.07
g	Target Return on Premium (e / f)	5.0%
h	Expense Provisions	28.7%
i	Premium Discount Factor	0.994
j	Expense Discount Factor	0.992
k	Loss Discount Factor	0.982
l	Expected Loss Ratio ((i - g - h * j) / (k))	67.2%
m	Profit Provision (1 - h - l)	4.1%

(1)	Base Commission and Brokerage	15.2%
(2)	Contingent Commissions	0.0%
(3)	Other Acquisition	6.3%
(4)	General Expenses	4.9%
(5)	Residual Market Load	0.0%
(6)	Reinsurance Expense	0.0%
(7)	ULAE	0.0%
(8)	Taxes, Licenses, & Fees	2.3%
(9)	Total Expenses	28.7%
(10)	Profit Provision	4.1%
(11)	Expenses and Profit Provision	32.8%
(12)	Permissible Loss Ratio	67.2%
(13)	Total	100.0%

Year	Incremental Payout Pattern			Discount Factor	Discounted Payout	
	Premium	Expenses	Loss & LAE		Premium	Expenses
0.00	38.4%	20.3%	0.0%	1.000	38.4%	20.3%
0.08	7.8%	4.1%	0.0%	0.998	7.8%	4.1%
0.17	7.8%	4.1%	0.0%	0.996	7.7%	4.1%
0.25	7.5%	12.2%	0.0%	0.994	7.5%	12.1%
0.33	6.8%	3.6%	0.0%	0.992	6.7%	3.6%
0.42	6.8%	3.6%	0.0%	0.990	6.7%	3.5%
0.50	6.2%	42.2%	0.0%	0.988	6.1%	41.6%
0.58	6.2%	3.3%	83.7%	0.986	6.1%	3.2%
0.67	6.2%	3.3%	0.0%	0.984	6.1%	3.2%
0.75	6.2%	3.3%	0.0%	0.982	6.1%	3.2%
0.83	0.2%	0.1%	0.0%	0.980	0.2%	0.1%
0.92	0.2%	0.1%	0.0%	0.978	0.2%	0.1%
1.00	0.0%	0.0%	0.0%	0.977	0.0%	0.0%
1.50	0.0%	0.0%	15.3%	0.966	0.0%	0.0%
2.50	0.0%	0.0%	0.7%	0.946	0.0%	0.0%
3.50	0.0%	0.0%	0.3%	0.925	0.0%	0.0%
4.50	0.0%	0.0%	0.0%	0.904	0.0%	0.0%
5.50	0.0%	0.0%	0.0%	0.882	0.0%	0.0%
6.50	0.0%	0.0%	0.0%	0.859	0.0%	0.0%
7.50	0.0%	0.0%	0.0%	0.836	0.0%	0.0%
8.50	0.0%	0.0%	0.0%	0.814	0.0%	0.0%
9.50	0.0%	0.0%	0.0%	0.792	0.0%	0.0%
10.50	0.0%	0.0%	0.0%	0.770	0.0%	0.0%
11.50	0.0%	0.0%	0.0%	0.749	0.0%	0.0%
12.50	0.0%	0.0%	0.0%	0.728	0.0%	0.0%
13.50	0.0%	0.0%	0.0%	0.708	0.0%	0.0%
14.50	0.0%	0.0%	0.0%	0.687	0.0%	0.0%
Total	100.0%	100.0%	100.0%		99.4%	99.2%
						98.2%

**PHILADELPHIA INDEMNITY INSURANCE COMPANY**  
PROJECTED EXPENSES

**21.2 - CPP Commercial Auto Physical Damage**

	I.E.E. 2014	I.E.E. 2015	I.E.E. 2016	I.E.E. 2017	I.E.E. 2018	Total
<b>Commissions (Line Specific)</b>						
Written Premium	84,862	88,179	95,803	101,325	109,470	306,598
Commissions	12,841	13,171	14,374	14,984	16,592	45,950
Commission Rate	15.1%	14.9%	15.0%	14.8%	15.2%	15.0%
Selected						15.2%

<b>Other Acquisitions (Line Specific)</b>						
Written Premium	84,862	88,179	95,803	101,325	109,470	306,598
Other Acquisitions	4,261	5,096	6,179	6,371	6,668	19,218
Other Acquisitions Rate	5.0%	5.8%	6.4%	6.3%	6.1%	6.3%
Selected						6.3%

<b>General Expenses (Line Specific)</b>						
Earned Premium	81,813	85,628	91,680	98,346	105,446	295,472
General Expenses	4,097	4,230	4,818	4,770	5,020	14,608
General Expenses Rate	5.0%	4.9%	5.3%	4.9%	4.8%	4.9%
Selected						4.9%

<b>Taxes, Licenses, and Fees (Line Specific)</b>						
Written Premium	84,862	88,179	95,803	101,325	109,470	306,598
Taxes, Licenses, and Fees	2,074	1,767	2,172	2,307	2,723	7,202
Tax Rate	2.4%	2.0%	2.3%	2.3%	2.5%	2.3%
Selected						2.3%

<b>Total Expenses as a % of Written Premium</b>						
Written Premium	84,862	88,179	95,803	101,325	109,470	306,598
Total Expenses	23,273	24,264	27,543	28,432	31,003	86,978
Expense Rate	27.4%	27.5%	28.7%	28.1%	28.3%	28.4%

<b>ALAE to Loss</b>						
Incurred Loss	49,319	49,636	56,343	61,264	67,661	185,268
Defense and Cost Containment	160	242	172	796	274	1,242
ALAE Ratio	0.3%	0.5%	0.3%	1.3%	0.4%	0.7%
Selected						2.1%

<b>ULAE to Loss</b>						
Incurred Loss	49,319	49,636	56,343	61,264	67,661	185,268
Adjusting and Other Expense	8,879	9,231	10,711	4,668	5,964	21,343
ULAE Ratio	18.0%	18.6%	19.0%	7.6%	8.8%	11.5%
Selected						10.1%

<b>ULAE to Loss &amp; ALAE</b>						
Incurred Loss	49,319	49,636	56,343	61,264	67,661	185,268
Defense and Cost Containment	160	242	172	796	274	1,242
Adjusting and Other Expense	8,879	9,231	10,711	4,668	5,964	21,343
ULAE Ratio	17.9%	18.5%	19.0%	7.5%	8.8%	11.4%
Selected						9.9%

<b>LAE to Loss</b>						
Incurred Loss	49,319	49,636	56,343	61,264	67,661	185,268
Defense and Cost Containment	160	242	172	796	274	1,242
Adjusting and Other Expense	8,879	9,231	10,711	4,668	5,964	21,343
LAE Ratio	18.3%	19.1%	19.3%	8.9%	9.2%	12.2%
Selected						12.2%



Philadelphia Indemnity Insurance Company  
Division One – Commercial Automobile  
Hired Car Physical Damage Deductibles  
Company Exception Page

The following company exception to Insurance Services Office applies to all commercial risks.

A. Rating Rules

ISO Rule 90 Hired Autos, Table 90.C.3.c. (LC) Hired Autos Physical Damage Loss Costs is amended to include the following additional Comprehensive and Collision deductibles and loss costs:

Coverage	Deductible	Loss Cost Per Each \$100 Annual Cost Of Hire
Comprehensive	\$ 500	<del>0.231</del> 0.240
	\$ 1,000	<del>0.138</del> 0.208
	\$ 2,500	<del>0.036</del> 0.155
	\$ 5,000	<del>0.004</del> 0.115
	\$10,000	<del>0.001</del> 0.100
Collision	\$ 2,500	0.340
	\$ 5,000	<del>0.189</del> 0.200
	\$10,000	<del>0.070</del> 0.145